

JUSTIFICATION
FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Acquisition Operations
Technology Acquisition Center
23 Christopher Way
Eatontown, New Jersey 07724
2. Description of Action: The proposed action is for a firm-fixed-price delivery order to be issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Government-wide Acquisition Contract (GWAC) for brand name International Business Machines (IBM) Optical Character Recognition (OCR) Datacap software application licenses and 24/7 maintenance support.
3. Description of the Supplies or Services: VA, Office of Information and Technology (OI&T); Enterprise Program Management Office (EPMO) requires 430 brand name International Business Machines (IBM) optical character recognition (OCR) Datacap software application licenses and 24/7 maintenance support thereof. Additionally, EPMO requires optional quantities for up to 1,600 additional licenses IBM OCR Datacap software application licenses and associated maintenance to be exercised at any point throughout the Period of Performance (PoP). VA currently receives clinical documentation from non-VA care providers through various channels such as fax, mail, email, in-person, and direct secure messaging, in order to process claims. During business holder reviews in October 2015, it was determined that this manual approach to receiving clinical documentation was inefficient and prone to user error based on the increased demand of care from non-VA care providers, thus leading to poor response time to Veterans who require the care. It was determined that an automated approach was required to ensure efficiencies in the process and ensure timely care for Veterans. IBM OCR Datacap software will facilitate an efficient data management process in order to streamline data retrieval and focus limited resources on protecting Veterans' health data and issue payments. The required software must give users the ability to save an unstructured text search criterion such that the criterion can be incorporated in the metadata auto fill search engine rules. This functionality is essential in order to enable VA to move from the current manual approach to an automation assisted approach to identifying metadata contained in documents. The 24/7 maintenance support for all licenses includes, voice support for installation of new deployments, migration, and code-related questions, Cross-platform software technical support, online technical support including self-help and search capabilities, and problem resolution by phone for all "Severity 1" situations. Severity 1 is defined as a work around does not exist or is not feasible. For example, messages are not being delivered, defects in security controls allow security breach or system event causes essential or end to end application failure. The period of performance shall consist of a 12-month base period with two 12-month option periods.
4. Statutory Authority: The statutory authority permitting an exception to fair opportunity is Section 41 U.S.C. 4106(c)(2) as implemented by Federal Acquisition Regulation (FAR) 16.505(b)(2)(i)(B), entitled "Only one awardee is capable of providing the supplies or services

required at the level of quality required because the supplies or services ordered are unique or highly specialized.

5. Rationale Supporting Use of Authority Cited Above: Based on market research, as described in section 8 of this document, it was determined that limited competition is available among authorized resellers for the required brand name IBM OCR Datacap software and 24/7 maintenance support. IBM OCR Datacap software will facilitate an efficient data management process in order to streamline data retrieval and focus limited resources on protecting Veterans' health data and issue payments. A key functional requirement of this software for VA is to give users the ability to save an unstructured text search criterion such that the criterion can be incorporated into the metadata auto fill search engine rules. This functionality is essential to move from the current manual approach to an automation assisted approach to identifying metadata contained in documents, enabling clinicians to locate data in medical documentation that corresponds to keywords or text specified. IBM OCR Datacap software is the only software that meets this key functional requirement. Not having this functionality will slow the data retrieval process required to process Veterans' claims electronically, thus negatively impacting the Veteran claims processing experience. Additionally, only IBM or an authorized reseller can provide the requisite 24/7 software maintenance as no other vendor has the ability or data rights to access the software source code required to provide the 24/7 maintenance support. Access to the proprietary source code is critical to meet the VA's need to maintain the IBM OCR Datacap software as operational, which is essential to ensuring an adequate and reliable automated approach to Veterans' claims processing.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in section 8 of this justification. This effort did not yield any additional sources that can meet the Government's requirements. It was determined that limited competition is viable among authorized resellers for the required brand name IBM OCR Datacap software and maintenance. In accordance with FAR 5.301 and 16.505(b)(2)(ii)(D), notice of award for this action will be synopsized and this justification will be made publicly available on the Federal Business Opportunities Page within 14 days of award. In accordance with FAR 16.505(a)(4)(iii)(A), this justification will be posted with the request for quotation on the NASA SEWP V GWAC to notify interested parties.

7. Actions to Increase Competition: In order to remove or overcome barriers to competition on future acquisitions for this requirement, the agency will continue to perform market research to consider and ascertain if there are changes in the marketplace that would allow other brand products to work with the existing IBM architecture in support of VA's data management requirements, thus enabling future actions to be fully competed.

8. Market Research: In April 2016, the Government's technical experts reviewed similar software licenses and providers, specifically EMC, HP and Nuance to ascertain if these providers could meet, or be modified to meet, VA's requirements. Although these vendors possess products with similar capabilities, only IBM OCR Datacap meets the key functional requirement to give users the ability to save an unstructured text search criterion such that the criterion can be incorporated in the metadata auto fill search engine rules. Accordingly only IBM or an authorized reseller is capable of providing this software and only IBM or an

authorized reseller has access to the proprietary source code, which is critical to perform the associated 24/7 maintenance support that is required.

Additionally, in June 2016, the Contract Specialist conducted market research to ascertain the extent of limited competition among resellers. Through use of the Provider Look-up tool on the NASA SEWP V GWAC website, numerous resellers of the required IBM Datacap software licenses maintenance and support that hold current GWACs were identified that could possibly meet VA's needs, including 19 Service-Disabled Veteran-Owned small businesses. Therefore limited competition is anticipated.

9. Other Facts: None